

Update on the Implementation of the Electronic Waste Recycling Program in California
The Electronic Waste Recycling Act of 2003 (SB 20 and SB 50)
March 30, 2006

Overview

The Electronic Waste Recycling Act of 2003 (Act) established a funding mechanism to improve the proper end-of-life management of certain hazardous electronic products. A \$6, \$8, or \$10 fee is paid by consumers of covered electronic devices (CED) at the time of purchase. Payments are made to approved collectors and recyclers of covered electronic waste (CEW) to reimburse the net cost of proper material management.

Intent of the Act:

- Provide financial relief to local governments for managing covered electronic waste
- Foster cost-free recycling opportunities for consumers throughout the state
- Reduce illegal dumping
- Eliminate the stockpile of waste monitors/TVs
- Decrease amount of hazardous materials in covered products

Major Components of the Act:

- Advance recycling fee (ARF) on retail sales of covered electronic devices
- Payments to approved collectors/recyclers to cover the costs to collect and recycle CEWs
- Manufacturer labeling, reporting
- Product design for recycling and reduction of hazardous materials
- Consumer information
- State purchasing guidelines for environmental preferable purchasing

Covered devices

Video display devices that have been determined by the Department of Toxic Substances Control (DTSC) to be hazardous when disposed. Currently covered devices are:

- Televisions and computer monitors containing cathode ray tubes (CRTs)
- Televisions and computer monitors containing liquid crystal displays (LCDs)
- Laptop computers w/ LCD screens
- Plasma televisions

Revenue: >\$60 million (2005 Returns)

- Retailers submit fees collected to the Board of Equalization (BOE) quarterly.
- Fee collection going smoothly
- BOE believes the majority of internet and catalogue retailers are participating in the California e-waste recycling program by remitting the fee.
- Manufacturers are required to notify their retailers about which of their products are subject to the fee. Many retailers state that they did not receive appropriate notification from manufacturers. CIWMB and DTSC are working with manufacturers to improve their retailer notification this year.

Collection and Recycling Infrastructure (as of March 30th, 2006)

Approved Electronic Waste Collectors: 384

Approved Electronic Waste Recyclers: 45

- E-waste collection and recycling infrastructure has grown because of the legislation.
- Voluntary participants represent a diverse group: non-profits organizations, landfills, local governments and e-waste collection and recycling businesses.
- DTSC inspections of recycling facilities indicate that more facilities are operating in compliance with environmental standards than ever before.

Payment System:

1. Payments

Forms for payment claims and guidance for submitting payment claims have been developed and are available on the website.

- 225 claims submitted for payment: \$31.1 M (64.8 M pounds of covered electronic waste)
- Claims approved for payment: \$19.1 M (39.8 M pounds)
- Claims currently under review: \$10.4 M
- 93% of the dollars sought through claims processed thus far has been approved for payment

2. System Challenges

- Ensuring payment is made only for eligible material; specifically material that is generated by a California source.
- Ensuring complete and verifiable payment claims from recyclers, including appropriate source documentation/
- Processing claims in a timely fashion to avoid negatively impacting participating businesses. The current average claim processing time within program is 35 days; additional time is added through accounting and at SCO. Many participants are small/medium businesses carrying significant financial obligations.
- Allowing for undocumented but otherwise eligible covered electronic wastes (illegal dumping abandoned and load check activities) to enter the payment system, while.....
- Protecting the integrity of the fund so that California does not become the “e-waste dumping ground” for the country.

Other Program Implementation Activities

Regulations:

- Emergency regulations were originally adopted in December 2004 specifying requirements for the payment system.
- Revisions to the emergency regulations addressing certain priority challenges in the payment system were approved by the Board November 15th; approved by OAL on December 5, 2005
- Permanent regulations must be enacted **before** December 2006.
- Staff has begun the final rulemaking process.

Procurement:

- A working group was convened as required in PRC 42475.3 to recommend environmental purchasing criteria.
- The Board approved staff recommendation to adopt Electronic Product Environmental Assessment Tool (EPEAT) as the criteria that may be used by state agencies to identify devices with reduced environmental impacts.

Assistance to Approved Collectors and Recyclers:

- Best Management Practices for managing electronic waste are posted on the Board's website. The BMPs are geared to local agencies and include tips for selecting contractors and model contract language.
- Net Cost Report Guidance – All approved e-waste collectors and recyclers are required to submit an annual net cost report to the Board. The Board has entered into a contract with California State University Humboldt to develop a guidance document and model reporting form to assist in the preparation of the reports.
- Webinars – In partnership with the League of California Cities, the Board has developed two “webinars” for local government agencies. The web format allows real time interaction between the presenter and the attendees. At least two additional classes are planned for January 2006
- Public Education/Outreach Contract – The Board will be contracting with a public relations firm to develop and implement a public education campaign. The campaign will leverage partnerships with retailers and manufacturers to provide the most effective campaign.

Assistance to other states and federal government:

- Staff is frequently contacted by other states and federal government representatives for information on the implementation of our Program.
- Considerable activity has occurred in other states (legislation has been passed in 4 states and proposed in about 24 states).
- The Congressional Subcommittee on Environment and Hazardous Materials held hearings on Electronic Waste specifically what role should the federal government take? Board Member Rosalie Mulé testified on July 20, 2005.
- The U.S. General Accounting Office met with staff from the Waste Board and DTSC, to gather information for a report that will be presented to Congress later this year.

California is closely monitoring activity on the national scene. As mentioned above, our largest challenge, ensuring payment only for California material, would be eliminated by a national solution. However, any national system would have to provide cost relief to local governments and not contradict the stringent hazardous waste/universal waste management standards adopted by DTSC. SB 20, specifically describes conditions under which federal law would preempt our implementation of the Act (Public Resources Code 42485 (a)).

Outreach resources:

- <http://www.ecycle.org> is the central website for all information relating to the Electronic Waste Recycling Act. The site includes links to the resources below.
- A list of approved e-waste collectors and recyclers is available at: <http://www.ciwmb.ca.gov/Electronics/Act2003/Recovery/Approved/>
- The Electronic Products Management directory <http://www.ciwmb.ca.gov/Electronics/Collection/> lists over 300 locations (both approved and unapproved) that accept electronic wastes.
- Public education materials including downloadable point of purchase ads and banners can be accessed at <http://www.ecycle.org/media.htm> .
- The Board of Equalization website contains Frequently Asked Questions, registration information and registration forms. <http://www.boe.ca.gov/sptaxprog/ewaste.htm> .
- The Department of Toxic Substances Control website <http://www.dtsc.ca.gov/HazardousWaste/CRTs/SB20.html> contains information on covered devices, hazardous waste management standards, and regulatory requirements.